



Solid Waste Residential Rate Discussion





Presentation Overview

- Solid Waste Rate History
- Services Provided
- Innovations and Efficiencies
- Rate Objectives
- Cost of Providing Services
- Options



Residential Rate History

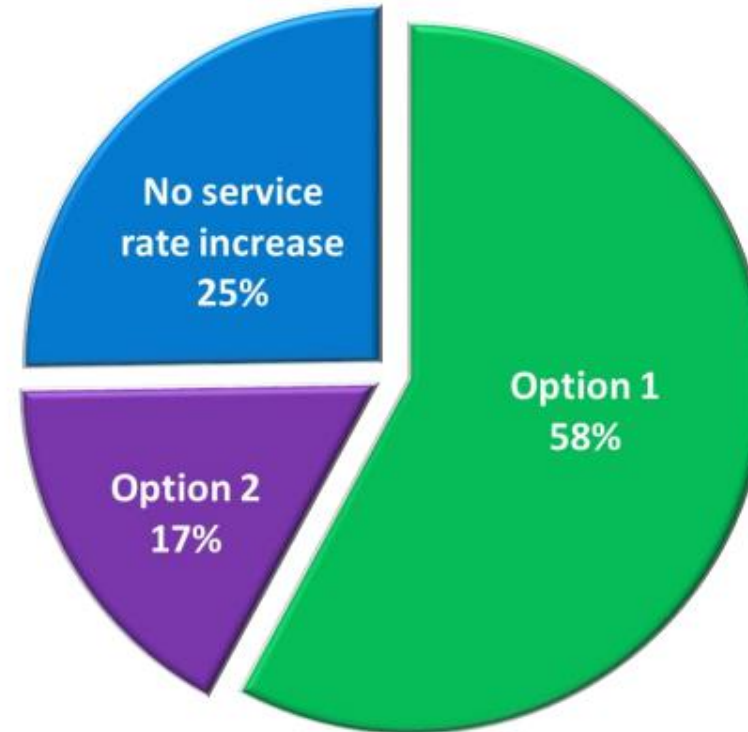
- January 1, 2005 – Adjusted from \$14.50 to \$14.90
- July 1, 2008 – Adjusted from \$14.90 to \$16.30
 - Proposed increase to \$17.55 in Fiscal Year 2010 was not adopted
- October 24, 2017 – Rate adjustment approved
 - January 2018 – Increased from \$16.30 to \$19.05
 - January 2019 – Increased from \$19.05 to \$21.80



Residential Rate History

2017 Key Outreach Results Residential Solid Waste

Date	Option 1	Option 2
1/1/2018	+\$2.75	+\$4.20
1/1/2019	+\$2.75	+\$1.00
1/1/2023	+\$1.25	+\$1.25
1/1/2025	+\$1.75	+\$1.75

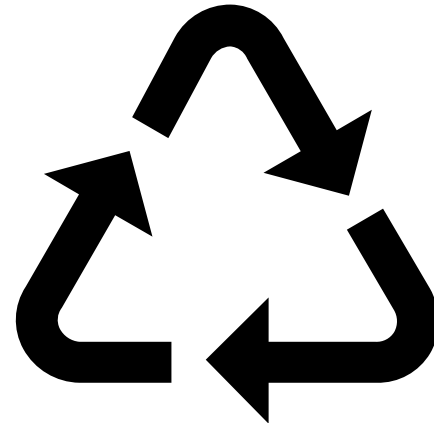
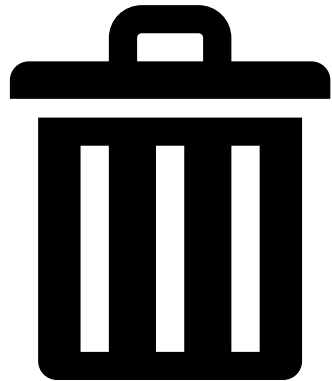


From
Sep.
2017
Council
Meeting



Residential Services Provided

- **Weekly refuse collection (95 and 300 gallon containers)**
- **Weekly recycling collection (95 gallon containers)**
- **Repair and replacement of damaged containers**





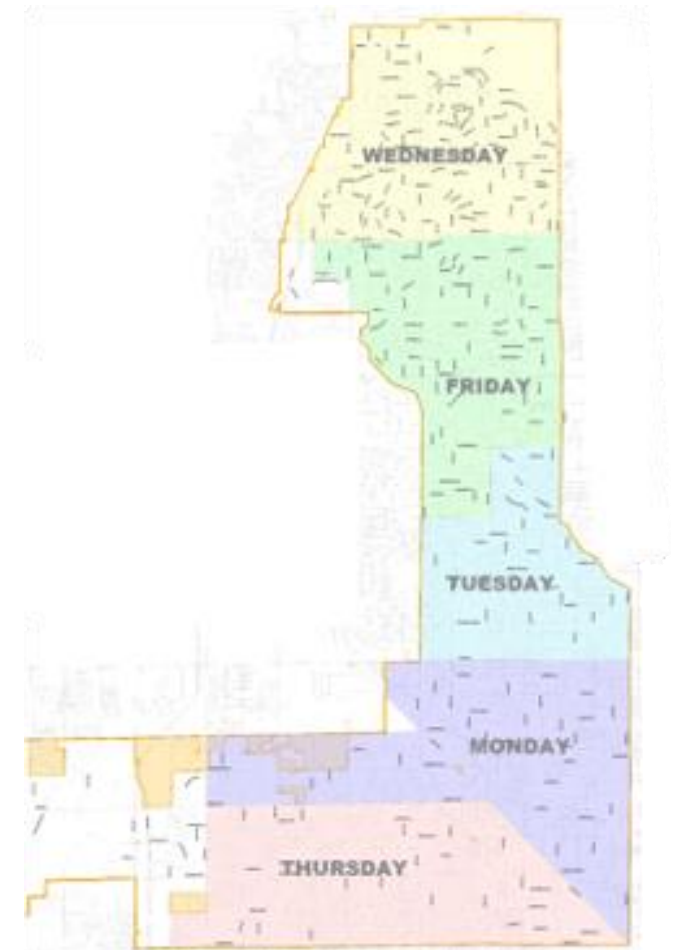
Residential Services Provided

- **MONTHLY** bulk trash collection
- Monthly Residential street sweeping increased to follow bulk trash schedule (effective September 2021)
- Litter Patrol Services (maintain main arterial routes to landfill & illegal dumping)
- Illegal Dumping Collection Team (added July 2021)



Recycling Survey Results

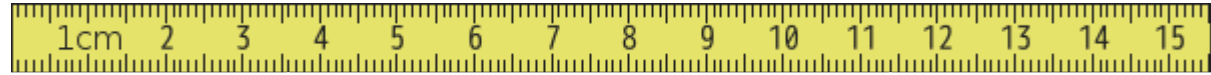
- Key facts of June 2021 Council Workshop Presentation:
- 7,267 surveys submitted.
- Represents 13% of 55,440 households
- 83% indicate recycling is “Very important” or “Important.”
- 91% are willing to pay more for recycling.
- 96% rate their services as either “Very Good” or “Good.”





Residential Services Provided Compared

How do we measure up?



City	Services Provided	Base Rate per month per house	Additional Container rate
Phoenix**	Basic service and quarterly bulk trash	\$33.80	\$16.90
Tempe**	Basic service and monthly bulk trash	\$29.57	\$18.28
Mesa**	Basic service and an additional fee for bulk trash	\$29.34	\$13.85
Glendale	Basic service, monthly bulk trash, monthly street sweeping, litter patrol services and illegal dumping team	\$21.80	\$6.67
Scottsdale	Basic service and monthly bulk trash	\$21.51	\$10.60
Avondale**	Basic service and monthly bulk trash	\$20.00	\$12.00

** Planning to increase rates soon



Innovations and Efficiencies

- Technology identified to continually improve operations
 - Route enhancements
 - Public facing Web tools
 - Recycling/sorting game
 - Recycle wizard
 - Interactive Bulk Pickup Status Viewer
- Equipment replacement schedule
 - Maintain appropriate lifecycle schedule



Residential Rate Objectives

- Keep the rates fair and reasonable
- Provide revenue stability
- Meet financial targets
- Maintain efficient fleet



FY20 Cost Per Residential Services



\$21.80 current rate
– \$23.77 cost of service
\$1.97 not recovered



Major Cost Factors

Major Drivers	FY17	FY20	\$ Increase	% Difference
Salaries & Benefits	\$3,935,395	\$4,689,049	\$753,654	19%
Landfill Cost	\$1,593,496	\$2,018,935	\$425,439	27%
Equipment Maintenance	\$1,526,000	\$2,793,000	\$1,267,000	83%
Equipment Replacement (refuse trucks)	\$262,500 each	\$325,000 each	\$62,500 each	24%
Insurance/Indirect Costs	\$317,795	\$489,143	\$171,348	54%

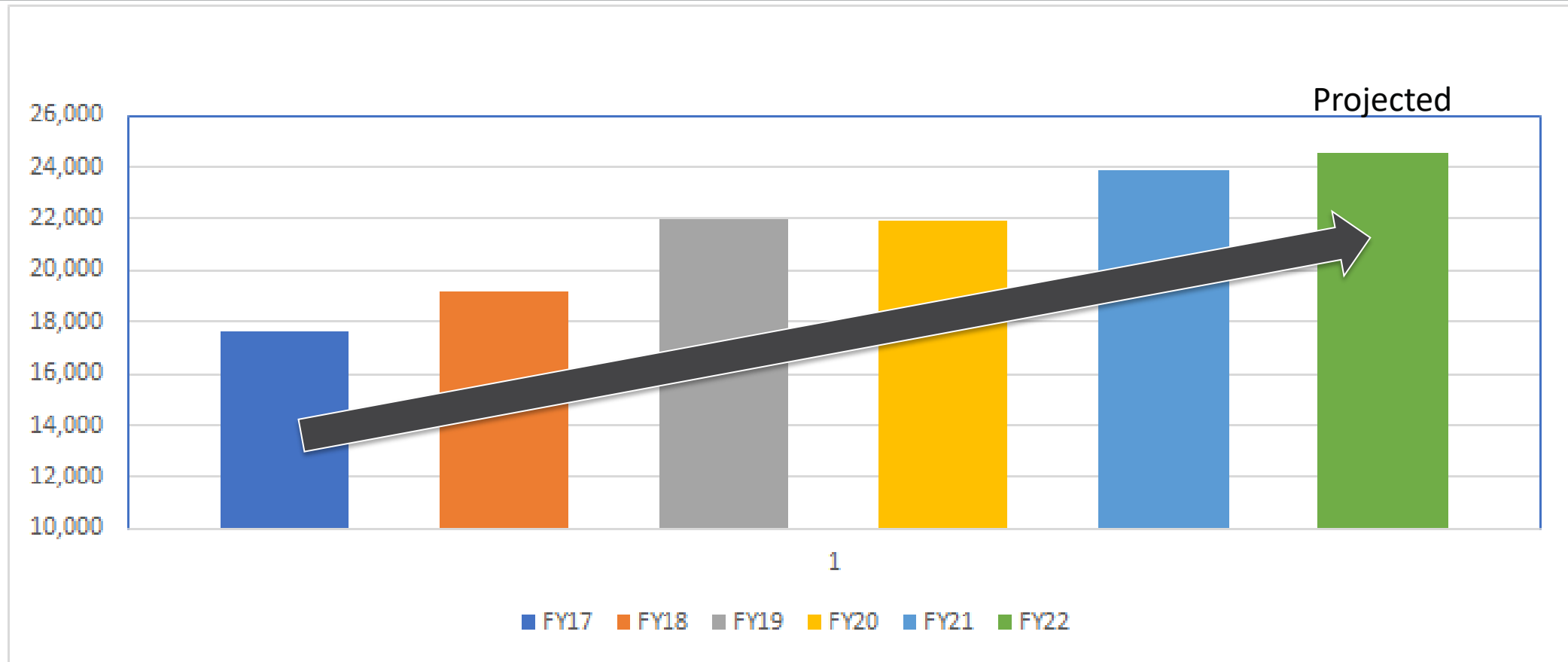


COVID19 Impact

- Demand for Service
- Cost of Supplies and Services
- Impact to Staff



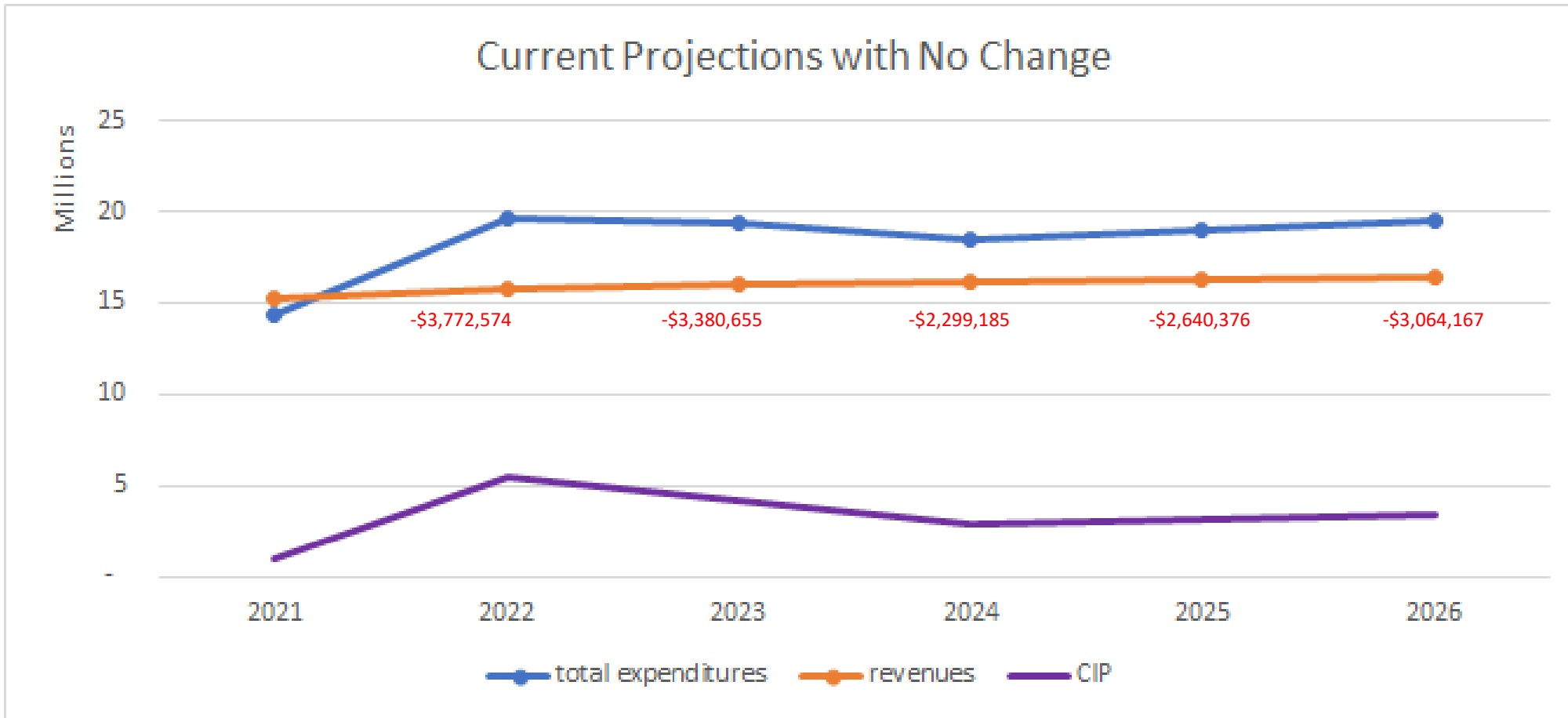
COVID19 Impact



Bulk Trash Tonnage Trend



Current Residential Services Budget Projections



5-Year Total
Projected
Impact to Fund

-\$15,156,957



Potential Rate Adjustment Options

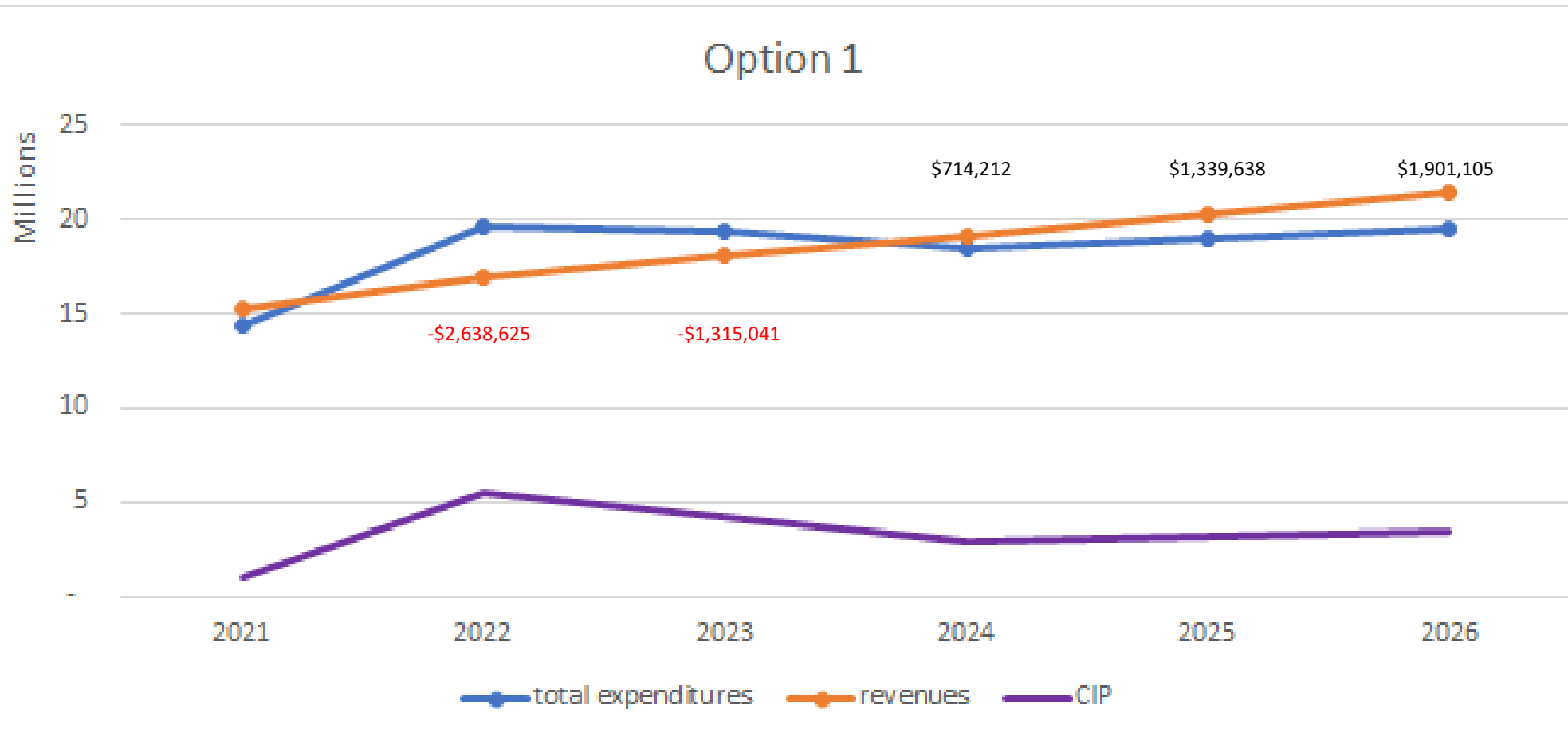


Option 1

Year	Option 1	
	Increase Amount	New Monthly Base Rate
2022	\$1.20	\$23.00
2023	\$1.20	\$24.20
2024	\$1.20	\$25.40
2025	\$1.20	\$26.60
2026	\$1.20	\$27.80



Option 1 Impact over 5 years



5-Year Total
Projected Impact to
Fund
\$1,290

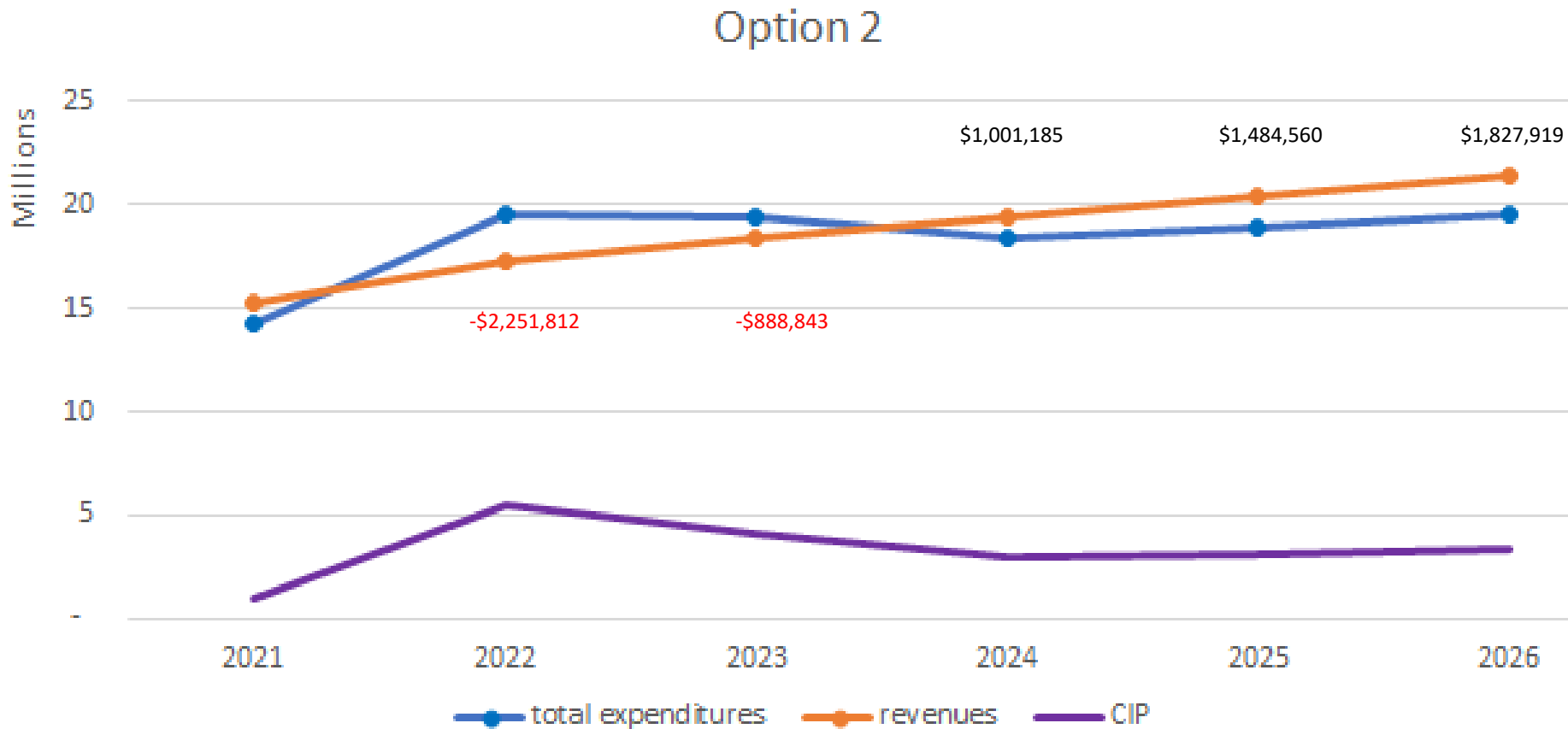


Option 2

Year	Option 2	
	Increase Amount	New Monthly Base Rate
2022	\$1.75	\$23.55
2023	\$1.25	\$24.80
2024	\$1.00	\$25.80
2025	\$1.00	\$26.80
2026	\$.90	\$27.70



Option 2 Impact over 5 years



5-Year Total
Projected Impact to
Fund
\$1,173,009

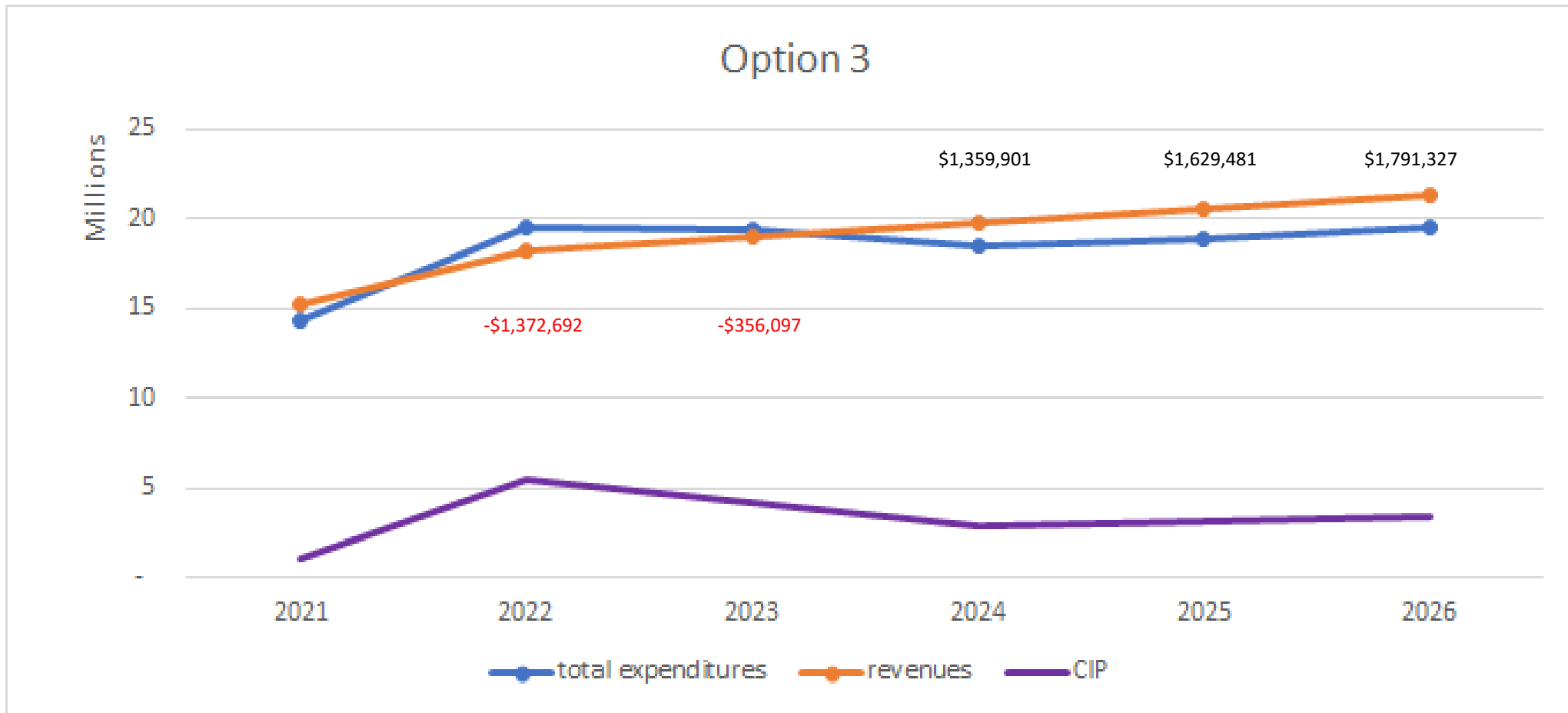


Option 3

Year	Option 3	
	Increase Amount	New Monthly Base Rate
2022	\$3.00	\$24.80
2023	\$0.75	\$25.55
2024	\$0.75	\$26.30
2025	\$0.70	\$27.00
2026	\$0.65	\$27.65



Option 3 Impact over 5 years



5-Year Total
Projected Impact to
Fund
\$3,051,920



Extra Container Fee

Year	Extra Container Fee	
	Increase Amount	New Monthly Base Rate
2022	\$2.03	\$8.70
2023	\$1.54	\$10.25
2024	\$1.01	\$11.26
2025	\$1.01	\$12.27
2026	\$1.01	\$13.28



Summary

- Citizens are pleased with the services
- Solid Waste costs are consistently trending upward
- Innovations and Efficiencies assist in keeping operational cost as low as possible
- Rate Objectives are reasonable and fair
- Options provide for support of future unknowns and growth
- Extra container fee applies to all three options



Staff Recommendation

- Option 2 Rate Increase
- Extra Container Fee Increase